

June 17, 2013

VIA ECFS

Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Notice of Ex Parte Presentation
Revision of the Commission's Program Access Rules, MB Docket No. 12-68**

Dear Ms. Dortch:

On June 13, 2013, Robert Broussard, President, Distribution of AMC Networks ("AMC") and Aileen Brophy, Vice President, Legal and Business Affairs of AMC, and Howard Symons of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. met with Nancy Murphy, Mary Beth Murphy, Kathryn Berthot, and Steven Broeckaert of the Media Bureau, and Susan Aaron of the Office of General Counsel, regarding the proposal in the above-captioned docket to constitute NCTC as a buying group and enable members of the group to automatically opt in to a master agreement negotiated by NCTC.

The AMC participants expressed their strong concerns regarding this proposal. First, Mr. Broussard noted that the Commission's rules appropriately require entities that seek recognition as buying groups to assume the financial liabilities of their members that utilize master agreements to obtain programming. Entities that do not take on this liability should not be permitted to take advantage of the program access rules. He acknowledged that NCTC serves a useful role in aggregating small distributors under a single agreement and providing a single point of contact, but explained that NCTC does not monitor or enforce the performance of its members and thus should not be deemed a buying group with the rights that accompany such a designation. Mr. Broussard described one instance in which NCTC failed to enforce an agreement against certain member companies that owed AMC nearly \$3 million dollars (including interest), and another in which NCTC unilaterally credited a member for payments to AMC because that member claimed that it had not carried AMC programming despite opting into the NCTC master agreement to do so.

Second, Mr. Broussard explained that the automatic opt-in proposed by the American Cable Association ("ACA") would effectively give NCTC the ability to sublicense AMC's networks. None of AMC's agreements with individual distributors provides such a right. Having invested hundreds of millions of dollars to develop such marquee programming as *Mad Men*, *Breaking Bad*, and *The Walking Dead* (now one of the highest rated shows on television,

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including broadcast as well as cable networks), AMC needs to be able to protect its brand by ensuring that the quality of a distributor's network meets AMC's expectations and that AMC has the appropriate rights to enforce the terms of the agreement. An automatic opt-in would deprive AMC of this ability. It would also enable distributors whose agreements have expired to opt into an outdated NCTC agreement whose rates did not reflect current market conditions.

Mr. Broussard also explained including larger operators under the proposal is inconsistent with the original purpose of NCTC to serve as a vehicle for smaller distributors to negotiate programming contracts, which was the basis on which the Department of Justice issued its 2003 business review letter. He expressed concern that these larger distributors would use the NCTC master agreement to gain insight into the negotiated rates and make them the *de facto* starting point for their individual, bilateral negotiations.

Finally, AMC noted that program access rules apply only to a handful of programming networks today and that there was no justification for exacerbating this disparity by loosening the rules for buying groups as ACA has proposed. To the contrary, adoption of ACA's proposal would competitively disadvantage AMC and other covered networks vis-à-vis the vast number of programmers that would not be subject to the constraints proposed by ACA, and harm consumers by potentially limiting AMC's ability to continue to invest in premium quality programming and forcing the migration of this programming to channels that are only available for a separate charge.

Pursuant to section 1.1206(b) of the Commission's rules, an electronic copy of this letter is being filed electronically with the Office of the Secretary and served electronically on the Commission participants in the meeting.

Should there be any questions regarding these matters, please contact the undersigned.

Respectfully submitted,

/s/

Tara M. Corvo

cc: Nancy Murphy
Mary Beth Murphy
Kathryn Berthot
Steven Broeckaert
Susan Aaron